

1958

ANNUAL

GENERAL AMERICAN LIFE INSURANCE COMPANY, ST. LOUIS, MO

REPORT

NOTICE TO POLICYHOLDERS

General American Life Insurance Company, a mutual company, is owned entirely by its policyholders. If premiums received from policyholders are more than needed to pay claims, establish legal reserves and needed surplus, and meet operating expenses, the excess may be returned in the form of policy dividends. These are computed by formulas that return to each policyholder his fair share of the total. Policyholders elect the members of the board of directors who, in turn, elect the officers who manage the Company. Policyholders are entitled to vote on the directors, either in person or by proxy, at the annual meetings of the Company at 9 a.m. on the fourth Tuesday of January in its Home Office, 1501 Locust Street, St. Louis, Missouri. The 1960 annual meeting will be on Tuesday, January 26.

EXAMINATION OF COMPANY'S OPERATIONS

Responsible for the savings of over one hundred million Americans, life insurance is closely regulated by state governments. In 1958, General American Life Insurance Company underwent a regular triennial examination for insurance companies under rules established by the National Association of Insurance Commissioners. The examination was made by examiners from the Division of Insurance of Missouri, this Company's home state, and from the insurance departments of Ohio, Oklahoma and Utah, representing the insurance departments in all 40 states and territories in which General American Life is licensed to do business. They made thorough inspection and verification of books, records, accounts, assets and liabilities, found them in order in all major particulars, and added \$283,413 to the unassigned surplus of the Company.

General American Life supplies two kinds of insurance protection. One is life insurance, individual and group. It provides cash payments to offset a policyholder's loss of earning power, whether caused by death, old age or disability. The other kind of protection is health insurance, again written for both individuals and groups. It helps the insured meet the costs of hospital-medical care and makes up for some of the earnings lost during accident and illness. The following table summarizes the results of the Company's 1958 operations.

Highlights of 1958

	End of Year 1958	End of Year 1957	Increase for the Year
Assets.....	\$258,027,725	\$245,523,895	5.1%
Insurance in Force.....	\$2,949,872,030	\$2,627,648,048	12.3%
Benefit Payments.....	\$56,677,233	\$51,614,446	9.8%
New Life Insurance....	\$450,472,421	\$381,428,727	18.1%
Total Income.....	\$82,751,988	\$75,387,182	9.8%
Taxes.....	\$2,370,923	\$1,764,438	34.4%
Operating Expenses....	\$11,197,854	\$10,209,220	9.7%
Net Operating Gain for Year*.....	\$833,111	\$721,110	15.5%
Surplus‡.....	\$12,104,412	\$11,271,301	7.4%

*After payment of \$9,590,064 in dividends and experience rating credit refunds to policyholders.

‡In addition, there are special reserves appearing as liabilities on the financial statement to cover such contingencies as mass hazards, fluctuations in assets and mortality, and contract performance. Such reserves were increased \$746,857 in 1958 and totaled \$17,109,546 at the year-end.

1958 / To our policyholders

The Highlights section on Page 1 shows how 1958 was a year of progress on most fronts for General American Life. While the recession put a marked damper on some businesses, it exerted only a mild influence on life insurance.

Ten years ago — in 1948 — the amount of life insurance in force with this Company first reached one billion dollars. Seven years later, it reached two billion dollars. At the end of 1958, the in-force total stood at \$2 billion, 950 million, and in 1959 General American Life will join the small group of companies with more than three billion dollars of life insurance in force. Only about 2 per cent of the approximately 1,400 legal reserve life companies in the United States have reached that size.

SALES AND INCOME

The growth of our insurance in force reflects increasing sales of new insurance each year. General American Life sold \$450,472,000 in new individual and group life insurance in 1958, by far the largest one-year total in the Company's history and an increase over 1957 of \$69,044,000 or 18.1 per cent.

A 29½ per cent increase in group life sales more than offset a 7¼ per cent decline in ordinary or individual life sales. It is worth noting that more ordinary life insurance was sold in the last half of 1958 than in the last half of 1957, the

Company's record year for ordinary sales. With the business outlook much improved, this pickup should continue in 1959.

Total annual paid premiums on accident, sickness and hospitalization insurance for individuals passed the one-million-dollar mark for the first time, reaching \$1,053,344 for the year. Premium income from group casualty insurance coverages was \$26,900,863, also higher than in any previous year.

A substantial premium income is an important stabilizing factor for a life insurance company. General American Life's premium income from all forms of insurance, including life, was 8.6% higher in 1958 than in the previous record year of 1957.

Following is a tabular summary of premium income results:

Income from Premiums	1958	1957
Accident, Sickness and Hospitalization		
Insurance, Individual and Group		
Combined.....	\$ 27,683,416	\$ 25,478,057
Life Insurance, Endowments and		
Annuities.....	\$ 40,342,621	\$ 37,160,973
	\$ 68,026,037	\$ 62,639,030

BENEFITS AND POLICY RESERVES

Matching its growing volume of insurance protection, General American Life paid more benefits to living policyholders

and beneficiaries in 1958 than ever before. Benefits amounted to \$56,677,233, an increase of 9.8 per cent over 1957. The Company also set aside \$7,894,898 from 1958 income for policy reserves that will someday supply benefits to policyholders or their beneficiaries. The total amount either paid out in 1958 or set aside for future benefits was 94.9 per cent of the year's income from premiums. In other words, about 95 cents out of every dollar of premiums received was paid out or set aside for future payment to or for policyholders.

INVESTMENT EARNINGS AND ASSETS

It is possible to pay out and set aside so large a percentage of premium income because the Company also employs the substantial amount of interest earned on its invested assets to reduce the cost of furnishing insurance benefits and protection to policyholders. In 1958, the Company earned \$10,906,750 on its invested assets, 12.5 per cent more than in 1957. Total 1958 income — from premiums, investments and miscellaneous sources — amounted to \$82,751,988, or 9.8 per cent more than in 1957.

The demand for investment capital continued strong in 1958. The Company's record investment earnings were the result of more money invested and a high net rate of return. The average yield for 1958, after investment expenses but before

federal income taxes, was 4.06 per cent as compared to 3.76 per cent in 1957. However, its effect in reducing the cost of our policyholders' insurance by increasing investment earnings was to a large extent cancelled out by a substantial increase in federal income taxes.

It is anticipated that a new formula for taxing life insurance companies — discussed on Page 5 — will result in this Company's paying about \$1,500,000 in federal income taxes on its 1958 operations, or more than twice the 1957 federal tax. Based on the current law, the after-tax rate of return on 1958 investments is 3.60 per cent, up only slightly from the 3.48 per cent rate earned after taxes on 1957 investments, and this will be reduced even further if the new formula is enacted into law.

The Company's assets increased by \$12,504,000 in 1958, the largest one-year growth we have experienced, and reached a year-end total of \$258,028,000. All but 12.2 per cent of that amount is invested in government and corporate bonds and first mortgage loans on real estate. The comparative balance sheet on Page 9 lists the kinds of assets held by General American Life.

Our major new investments in 1958 were in the bonds of industrial and commercial companies and in conventional first mortgage loans. The corporate bond account at year-end stood

at \$82,375,000, or 31.9 per cent of assets. The mortgage loan account reached \$126,050,000 at year-end, or 48.8 per cent of assets. Conventional first mortgage loans, most of them on private homes, accounted for \$80,233,000 of the mortgage loan total. New money invested in 1958 in corporate securities and mortgage loans returned an average yield, before federal income taxes, of 5.3 per cent.

At year-end, the Company held \$18,584,302 in government bonds — 7.2 per cent of total assets as compared to 8.6 per cent in 1957 and 28.4 per cent ten years ago.

RISING COST OF MEDICAL CARE

In common with other underwriters of group accident and sickness (health) insurance, General American Life faced a severe problem in 1958. The cost of medical care in the United States has been going up at a rate of from 6 to 10 per cent a year. The number of people admitted to hospitals has also been increasing.

This situation is compounded by what seems to be a general public misunderstanding of a basic fact of insurance company economics — that the dollars that pay health insurance premiums are the dollars that pay health insurance claims. The fact is that health insurance creates no wealth; it merely averages the risk.

This Company began an information campaign among its group certificate holders in 1958 to increase their awareness of the fact that when claims go up so must premiums. We have also made changes in product design and adjusted dividend formulas to accord with current experience with group coverages.



ADMIRAL SIDNEY W. SOUERS, chairman of the board of General American Life since 1953, was elected president following the sudden death of Powell B. McHaney on December 4, 1957. On September 1, 1958, he was succeeded as president by Frederic M. Peirce. Admiral Souers continues as chairman and chief executive officer.

The post-war growth of voluntary health insurance has been dramatic. This Company and other large underwriters are taking the steps necessary to preserve the basic usefulness and vitality of voluntary protection against the financial hazards of accident and illness.

NEW FEDERAL INCOME TAX FORMULA

Life insurance companies are subject to both federal and state taxation. Federal and state governments have traditionally had difficulty in determining what is taxable income for a life insurance company, particularly a mutual company whose purpose is to provide its policyholders with insurance protection



FREDERIC M. PEIRCE,
former managing director
of the Life Insurance Agency
Management Association
and a recognized authority
in the field of sales and
agency management, was
elected president of General
American Life, effective Sep-
tember 1, 1958.

at cost. The difficulty stems from conditions peculiar to this business. It is of a dual nature. First, to determine whether life insurance funds, which are in essence savings, should be subject to income taxation, and secondly, to determine what is annual net income for life insurance companies whose contractual commitments to policyholders may extend over several generations.

The federal formula for taxing life insurance companies has been in a state of almost constant revision by Congress ever since the income tax amendment to the Constitution (the 16th amendment) was enacted in 1913. However, the present Congress is expected to adopt a permanent income tax formula

for life insurance companies. The Treasury Department is asking that the formula include premium income as well as investment income in its tax base.

It appears likely the life insurance business will incur heavier federal income taxes, in which event the policyholders of this Company will have to bear their proportionate share. The anticipated increase in our 1958 federal income taxes over 1957 federal taxes is about \$900,000. The principal form of tax paid to the various states in which we operate is a direct tax on premiums. Such taxes totaled \$1,000,988 in 1958.

GENERAL AMERICAN LIFE ASSOCIATES

The year 1958 saw an unusual amount of Company activity aimed at improving our products and Home Office efficiency. These are discussed on Pages 10 to 12.

They reflect the dedication of our board of directors, our officers and our field and Home Office associates to a common goal — the providing of sound insurance protection at the lowest possible cost that is consistent with a financially-secure company. We express our deep appreciation for the efforts of those groups in 1958, and for the cooperation and support given the management of General American Life by its policyholders.

Sidney W. Souers
Chairman

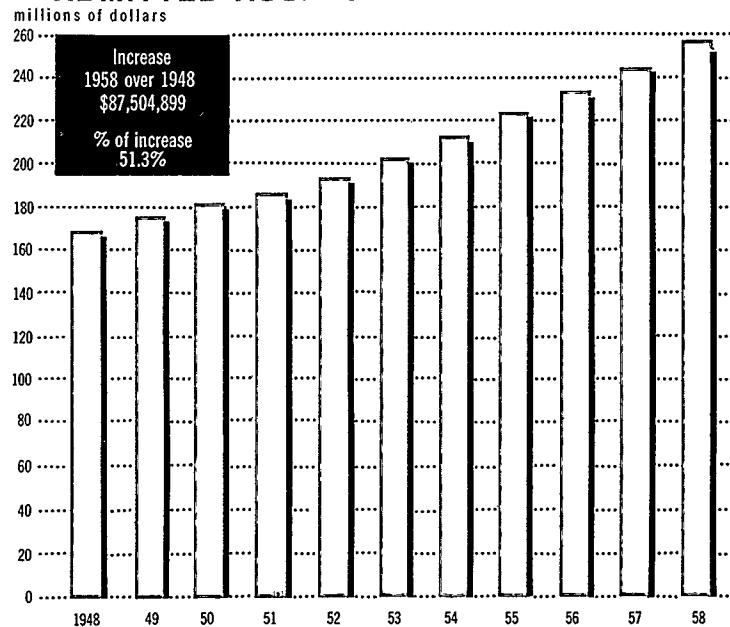
Frederic M. Peirce
President

Years of Steady Growth for . . .

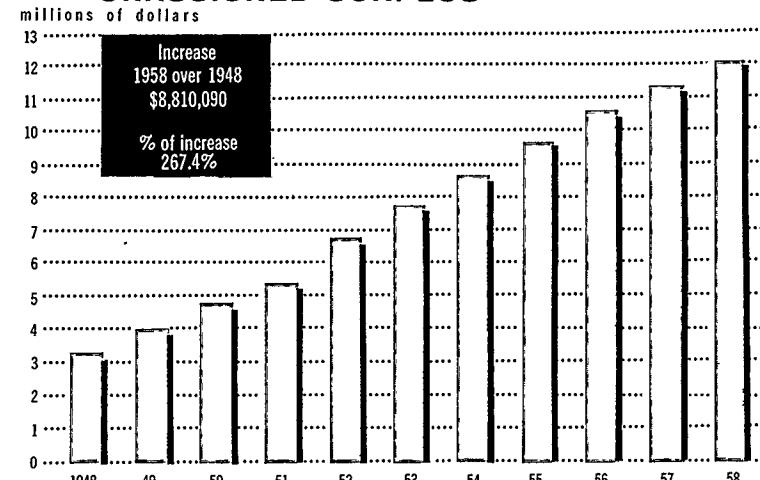
GENERAL AMERICAN LIFE INSURANCE COMPANY

The Company's steady growth has enabled it to provide a steadily increasing number of persons with the protection of life and health insurance. The charts on this page illustrate significant statistics of that growth for the past ten years.

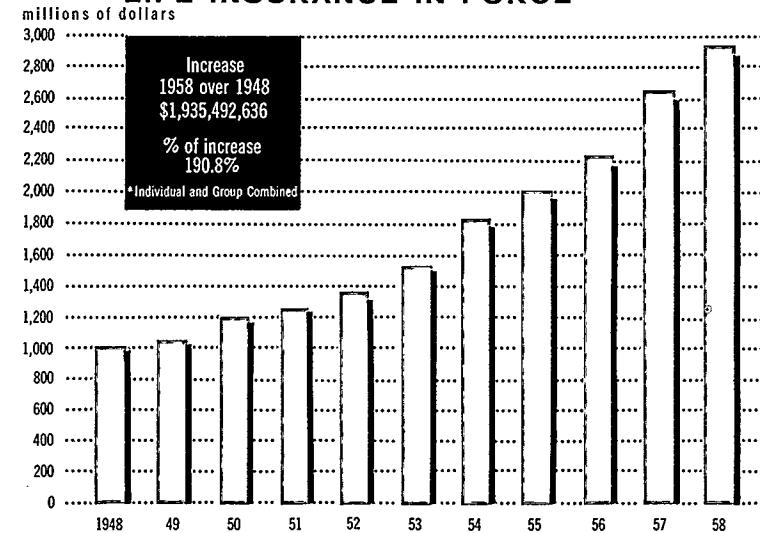
ADMITTED ASSETS



UNASSIGNED SURPLUS



LIFE INSURANCE IN FORCE*



Living Longer and Living Better

More people own more life insurance than ever before. Health insurance coverages have spread rapidly. The death rate is much lower than it used to be. As a result, benefit payments have increased and the dominant purpose for which those payments are made has changed.

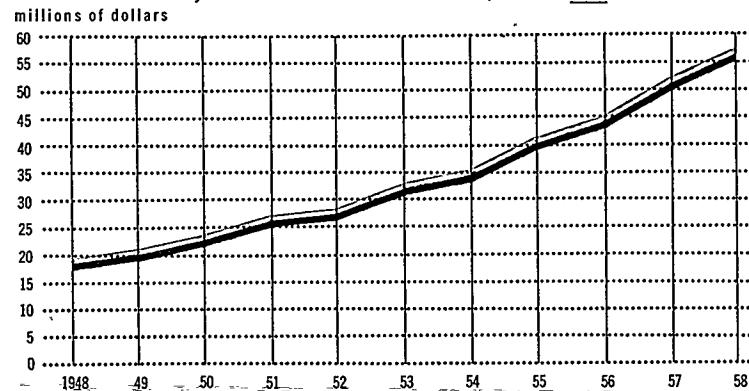
The chart on this page shows how rapidly General American Life's annual benefit payments have increased in a decade. As recently as 1949, more than half of the benefit dollars went to the dependents of deceased policyholders. The protection of beneficiaries remains the basic function of life insurance, but living policyholders now receive the larger share of each year's total life and health insurance benefits. In 1958, the Company's \$56,600,000 in benefit payments was divided as follows:

	% of Total	Dollars Paid
Death Benefits	34.6	\$19,586,402
Accident & Health Benefits	40.7	\$23,087,151
Policy Dividends	16.9	\$ 9,590,064
Savings Withdrawn	5.3	\$ 2,983,487
Endowments and Annuities	2.5	\$ 1,430,129
	100%	\$56,677,233

The steady increase in annual benefits is, in part, a result of the growing number of General American Life's insured. At the end of 1958, the Company had 2,048,828 individual policies and group certificates outstanding — an all time high. The increase in benefits is also a result of the growth in the amount of life and health insurance protection carried by the average American.

10-YEAR GROWTH IN BENEFITS PAID

Policyholders and their beneficiaries received \$37 Million More in 1958 than in 1948



MAJOR CAUSES OF DEATH — 1958 VERSUS 1948

(Ordinary Life Policies)

Cause	1958	1948
Heart and circulatory.....	59.0%	58.4%
Cancer.....	18.0%	12.9%
Pneumonia and influenza.....	2.5%	5.3%
Motor vehicle accidents.....	2.2%	1.0%
Nephritis and nephrosis.....	1.9%	3.9%
Suicide.....	1.8%	1.4%
Diabetes.....	1.6%	.6%

The number of deaths caused by diseases that respond to antibiotics and vaccines has gone down steadily. However, as people live longer, the percentage of deaths from heart and circulatory diseases and cancer has risen. The mortality experience on General American Life's individual policyholders was again favorable in 1958. The increased aging of our population brought about by advances in medical science, while improving mortality, correspondingly increases the incidence of disease.

*Statements
of
Financial
Condition*

AS OF DECEMBER 31, 1958

INCOME	1958	1957
Premiums were the major source of income.....	\$ 68,026,037.32	\$ 62,639,029.92
Some policy payments are left with, or returned to, the company.....	3,784,759.11	2,942,927.77
Investment income.....	10,906,750.08	9,691,421.60
Profits realized on sales or liquidation of assets.....	34,441.76	113,803.16
TOTAL.....	\$ 82,751,988.27	\$ 75,387,182.45

DISTRIBUTION	1958	1957
Paid to policyholders.....	\$ 27,500,767.03	\$ 24,861,459.97
Paid to beneficiaries of deceased policyholders.....	19,586,402.46	18,162,901.18
Funds left on deposit benefited their owners.....	2,790,748.36	2,432,245.59
Taxes.....	2,370,923.13	1,764,438.38
Operating expenses.....	11,197,854.06	10,209,219.92
Losses on sales and adjustment of asset values.....	23,204.75	79,187.51
Added to policy reserves.....	7,894,898.42	7,313,617.91
Subtracted from reserve for optional settlements on certain ordinary policies not yet matured.....	(-)74,470.90	(-)57,473.75
Added to group mass hazard and excess morbidity reserve.....	271,518.41	257,101.45
Added to reserves for fluctuation in mortality and asset values.....	615,968.00	888,289.00
Provision for funding past service annuities under Company's retirement plan.....	151,000.00	165,000.00
TOTAL.....	\$ 72,328,813.72	\$ 66,075,987.16
Net gain.....	\$ 10,423,174.55	\$ 9,311,195.29
Dividends & experience rating credit premium refunds paid to or set aside for policyholders.....	\$ 9,590,063.80	\$ 8,590,085.09
ADDED TO SURPLUS.....	\$ 833,110.75	\$ 721,110.20

ASSETS	1958		1957		LIABILITIES	1958		1957	
Cash on Hand and in Banks.....	\$ 4,592,769.67	1.8%	\$ 4,252,872.98	1.7%	Policy Reserves.....	\$209,999,969.35	\$202,587,434.61		
Bonds: U. S. Government.....	18,584,302.05	7.2%	21,058,974.76	8.6%	Premiums and Interest Paid in Advance.....	2,696,434.80	2,337,612.21		
Other Bonds.....	<u>82,374,766.09</u>	<u>31.9%</u>	<u>75,413,575.78</u>	<u>30.7%</u>	Reserves for Taxes.....	1,799,680.00	1,527,743.19		
Total Bonds.....	\$100,959,068.14	39.1%	\$ 96,472,550.54	39.3%	Amounts Held in Escrow or for Guarantee of Contract Performance.....	4,008,480.01	3,348,560.94		
Mortgage Loans:					Reserve for Accounts Not Yet Due.....	1,434,427.90	1,344,678.85		
First Mortgage Loans on Real Estate.....	\$ 80,232,627.21	31.1%	\$ 75,053,660.22	38.6%	Policyholders' Dividends.....	12,147,737.34	9,759,457.32		
F.H.A. Loans.....	40,746,503.79	15.8%	39,980,867.66	16.3%	Mass Hazard Reserve for Group Insurance.....	5,107,954.15	4,836,435.74		
Loans Guaranteed by Veterans' Administration.....	<u>5,070,532.15</u>	<u>1.9%</u>	<u>4,950,995.27</u>	<u>2.0%</u>	Reserves for Fluctuation in Mortality and Asset Values..	8,324,943.00	7,775,134.00		
Total Mortgage Loans.....	\$126,049,663.15	48.8%	\$119,985,531.15	48.9%	Mandatory Security Valuation Reserve.....	403,687.00	337,528.00		
Home Office Building and Other Real Estate.....	3,059,435.23	1.2%	2,557,628.42	1.0%	Total Liabilities.....	\$245,923,313.55	\$234,252,593.76		
Interest and Rents on Investments Accrued But Not Yet Due.....	1,903,279.95	0.7%	1,736,527.06	0.7%	Total to provide additional security for policyholders and beneficiaries: Surplus.....	12,104,411.51	11,271,300.76		
Interest and Rents Due (None of which is past due more than 90 days).....	142,432.51	0.1%	151,061.27	0.1%	TOTAL.....	\$258,027,725.06	\$245,523,894.52		
Other Assets, Principally Net Premiums in Course of Collection.	6,690,447.53	2.6%	6,755,642.09	2.8%					
Loans to Policyholders.....	<u>14,630,628.88</u>	<u>5.7%</u>	<u>13,612,081.01</u>	<u>5.5%</u>					
TOTAL.....	\$258,027,725.06	100.0%	\$245,523,894.52	100.0%					

New Products and Processes

The insurance services and products of General American Life are under constant study. New policies and plans of insurance and new merchandising methods must be developed to meet changing needs. The Company must also keep the cost of handling its policyholders' insurance to a practical minimum.

Since the 1957 Annual Report, there has been an unusual number of improvements in the Company's multiple lines of life and health insurance. Some are described with the illustrations on the next page.

The Company introduced three revised and improved policies to fit three different ranges of policy size. This program of related coverages is built around the Economaster policy, sold in face amounts of \$15,000 and up, which has been one of General American Life's leading ordinary coverages for more than 20 years. Now supplementing the Economaster is a new ordinary life plan, the Econolife, and a new endowment at 95 plan, the Econoplano. Buyers of these new plans take advantage of a "quantity discount" — the savings inherent in the fact that the larger the policy the less the administrative or handling cost per \$1,000 of insurance.

A "Family Security Program" is being put on the market. The father who obtains policies for himself and other members of his family may combine all the premiums in a single notice.

This program offers a wide choice of policies to fit the needs of individual members of the family — rather than confining them to a pre-fabricated, inflexible, package plan of family insurance.

The Pre-Authorized Check Plan, a convenient adaptation of installment buying to life insurance, has become popular with present as well as new policyholders. In return for savings on the mailing of premium notices and in record keeping, the Company offers somewhat lower premium rates than those charged with direct monthly or quarterly payments. In one recent month, 17½ per cent of the new ordinary insurance sold called for payments via P.A.C.

The Company has also taken steps to further reduce the per-policy cost of the complicated "paperwork" that is a necessary part of insurance administration. Installed in the St. Louis home office, an IBM 650 electronic data processing system is eliminating costly manual operations and speeding up computing and clerical operations that affect service to policyholders and the agency force.

If you are interested in reading any of the booklets on the opposite page, contact your agent or write to General American Life Insurance Company, St. Louis 66, Mo.

You can
have the
low-cost benefits
of...

GROUP INSURANCE *planned* FOR YOUR BUSINESS

A SPECIAL
SERVICE FOR
FIRMS WITH
10 TO 24 EMPLOYEES
BY THE...

GENERAL AMERICAN LIFE INSURANCE COMPANY

Guaranteed Insurability

The rules of life
cannot
be
changed
BUT

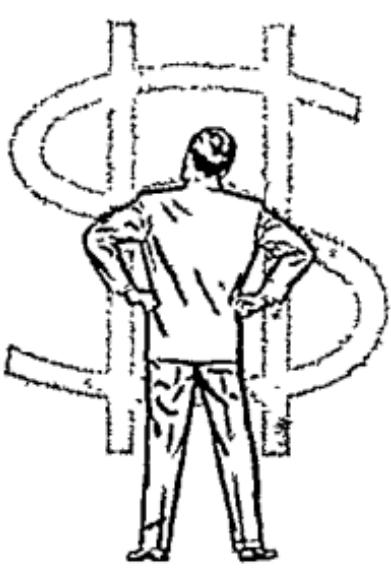
GENERAL AMERICAN

can
change
the rules of
Life Insurance
for
YOU

Young men who cannot
insurance they should
Guaranteed Insurability
health or occupation fr
new feature guarantees
additional protection a
out evidence of insur
premiums.

Popular new Econolife
from \$5,000 to \$15,000
tection plus savings. It
basic to well-planned
Optional with it is a mor
a benefit which prov
annual premiums, in
face amount, on prem

The continuance of in
incapacity resulting f
and illnesses that hurt
physically, is possible
Business and Professi
tector policy. Benefits
\$600 a month.



**IF YOU like others, sometimes
HAVE TROUBLE LIVING
WITHIN YOUR INCOME
HOW WOULD YOU LIVE
WITHOUT YOUR INCOME?**

The convenience of re
so popular in the Unit
more convenient thro
Check Plan. It provides
duction of premiums
checking account, at
monthly or quarterly
company. This moder
applied to almost any
American Life coverage

General American Life Associates

The year 1958 was a busy one for the Company's field and home office associates. Their combined efforts and skills made the year a notable one.

Home Office employees concerned with office procedures spent months preparing office systems for transfer to the new IBM 650 electronic data processing system. Near the end of 1958, 123 home office employees received 25-year service awards.

The vital agency force has been materially strengthened since the 1957 Annual Report. General American Life's multiple agency plan for stimulating expansion in large metropolitan areas was introduced in Fort Worth, Tex., and Pittsburgh, Pa. The number of general agents associated with the over-all Detroit multiple agency has been more than doubled, and the number of general agents with the St. Louis multiple agency, largest in the Company, has increased substantially.

In addition, General American Life representatives have opened general agencies in Akron, O., St. Joseph and Cape Girardeau, Mo., and Montgomery, Ala. Boston will be the site of the Company's first New England agency. The Company also added a second general agency in Springfield, Mo., and consolidated general agencies in Fort Smith, Ark. with Little Rock, and in Lubbock, Tex. with Amarillo.

In 1958, the Company had 36 agencies with individual life insurance sales totaling \$1 million or more — in some cases much more. On the basis of paid first-year life volume, the "best-selling" agency was the Kamaaina Agencies in Honolulu, with the Fred F. Sale Agency in St. Louis leading in paid premiums.

The Adam Rosenthal Agency in St. Louis won the "President's Million Dollar Cup" for the third time, gaining permanent possession of the annual award for the agency judged to have done the best all-around job of any in the Company. The coveted "Agency Achievement Cup" was awarded to the W. Stanley Stuart Agency, also of St. Louis.

Another agency demonstrated that large volumes of life insurance are not sold only in large cities. The Dane Fergus Agency in Osceola, Ark., population about 5,000, sold well over \$2,000,000 in ordinary or individual life insurance during 1958.

The Company's various training programs continued to attract promising young college graduates interested in executive careers in life insurance sales.

In Conclusion . . .

WHAT IS GENERAL AMERICAN LIFE?

The following is from the first written communication to Company field representatives by the new President of General American Life Insurance Company, Frederic M. Peirce. It is re-printed here because Mr. Peirce's explanation of the Company and of the role of life insurance in our everyday lives should be of equal interest to policyholders.

What is General American Life? A life insurance company, you say. But what is a life insurance company?

A financial institution? Yes, General American Life is one of the largest financial institutions in the Midwest . . . with \$258 million in assets, \$68 million in annual premium income, \$2 billion, 950 million of life insurance in force, more than 2 million policies and certificates outstanding, and requiring more than 1,000 people to operate the Company. Box car figures and big business . . . *But it is more than that . . .*

A new high school constructed in South Bend, Ind.; new dormitories at the University of Missouri and the University

of Wisconsin; new highways in Georgia; an oil processing plant in Texas; freight cars to carry vital supplies for daily living; ships and highways, telephones and electricity . . . your Company has invested its policyholders' funds to help finance these things that are part of the modern-day miraculous world in which we live. General American Life is, thus a major contributing factor to the pleasures of everyday living . . . *But it is more than that . . .*

Once upon a time, few people owned their homes because so much cash was required for the down payment. Today, you and I can buy a home with a relatively small amount down and take 20 years to pay the balance, just as we would rent. Your Company has helped to bring about that result. General American Life has 14,000 separate mortagage loans, most of them on residences. Each year, General American Life helps many people to own their homes . . . *But it does even more than that . . .*

Each dollar that is saved with General American Life

through premium payments by its policyholders slows the threat of inflation . . . perhaps the greatest threat to America today. You and your Company are a strong force in the fight against inflation . . . *But there is even more!*

Traditionally, life insurance companies and, particularly, General American Life are good civic citizens . . . contributing generously, individually and collectively, of their time and abilities in a hundred different ways to make the cities in which their people live better cities . . . *And there is one more thing I would mention . . .*

TO FIGHT INFLATION

General American Life has joined other companies in the life insurance business in supporting attempts to improve public understanding of the necessity for halting the steady erosion in the purchasing power of the dollar that is being caused by "creeping inflation." This subject is of particular importance to the owners of life insurance policies. Life companies in the U. S. hold more than 100 billion dollars in assets, and most of that represents savings accumulated for their policyholders.

The Institute of Life Insurance* suggests three steps individuals can take that will help overcome inflation. They are:

- *That all support be given to those advocating and working for a balanced federal budget.*

That is the basic reason for the existence of General American Life, our real purpose for being. We exist because people love other people and are concerned about what will happen to them when emergencies arise. We deal in very basic problems — food, clothing, shelter.

General American Life is many things to many people. You have reason to be proud of it for each of these many things. To me, the greatest of all reasons is that in being a part of life insurance and of General American Life, you and I are able to help others while helping ourselves. . . .Frederic M. Peirce

- *That citizens realize, in view of the heavy defense budget, many socially desirable federal, state and local projects cannot be undertaken and a balanced budget achieved at the same time. In other words, Americans should ask only for those projects they are willing to pay for.*
- *That there be incorporated into the Employment Act of 1946 a declaration of a national policy for a stable dollar — a declaration that inflation is not inevitable and an expression of national determination to halt the continuing depreciation of the dollar.*

*An organization maintained by life insurance companies to conduct public information activities about the life insurance business.

*Board
of
Directors*

(First Elected to the Board in the Year Named)

SIDNEY W. SOUERS*, 1936
Chairman

C. R. ANTHONY, 1952
Chairman of the Board and President
C. R. Anthony Co.,
Oklahoma City, Okla.

EDWIN M. CLARK, 1943
President, Southwestern
Bell Telephone Co.,
St. Louis, Mo.

DONALD DANFORTH, 1957
Chairman of the Board
Ralston Purina Co.,
St. Louis, Mo.

PRESTON ESTEP, 1953
President, Transit Casualty Company
St. Louis, Mo.

JAMES M. KEMPER, 1933
Chairman, Commerce Trust Company
Kansas City, Mo.

SIDNEY MAESTRE, 1953
Chairman, Mercantile Trust Company
St. Louis, Mo.

J. W. McAFFEE*, 1951
President, Union Electric Company
St. Louis, Mo.

WILLIAM A. McDONNELL*, 1950
Chairman of the Board, First
National Bank in St. Louis,
St. Louis, Mo.

FREDERIC M. PEIRCE*, 1958
President

TOM K. SMITH*, 1940
Chairman, Boatmen's National Bank
St. Louis, Mo.

EDWIN J. SPIEGEL, 1953
Chairman and Chief Executive Officer
Gaylord Container Corporation,
St. Louis, Mo.

HUGH STEPHENS*, 1937
President, Board of Curators
Stephens College, Columbia, Mo.

JOHN S. SWIFT, 1941
Chairman, John S. Swift Co., Inc.
St. Louis, Mo.

JOHN L. WILSON, 1951
Executive Vice-President
Anheuser-Busch, Inc., St. Louis, Mo.

HOWARD I. YOUNG, 1948
President, American Zinc, Lead &
Smelting Co., St. Louis, Mo.

SAM D. YOUNG, 1952
President and Chairman of the Board
El Paso National Bank, El Paso, Texas

EXECUTIVE AND ADMINISTRATIVE OFFICERS

Chairman Sidney W. Souers	GROUP DIVISION Winburne M. Paris Vice-President Ray Ely Group Actuary L. Wayne Kauble Group Field Vice-President Robert N. Stabler Associate Group Actuary Stanley A. Cocklin Group Secretary Myron W. Drummond, Manager, Group Underwriting Edward H. Jackson Manager, Group Sales and Service Russell J. Yaeger Manager, Group Policy Administration	PLANNING DIVISION E. Lee Trinkle, Jr. Senior Planning Officer Thomas E. Ashcraft Auditor Edgar W. Baseler Planning Officer Alfred D. Froning Planning Officer
President Frederic M. Peirce	ACCOUNTING DIVISION Victor F. Bachle, Comptroller Jerome P. Bugger Manager, Group Accounting Kenneth E. Delf Manager, Investment Accounting Burt H. Fehlig Manager, Premium Accounting Howard A. Sanders Manager, General Accounting	PUBLIC RELATIONS DIVISION Stanley M. Richman Vice-President A. William Evans Director, Recruitment and Development William C. Fischer, Jr. Manager, Personnel Carol R. Scott Manager, Advertising Oliver Siegmund Manager, Personal Accident and Sickness Development
Senior Vice President Emil E. Brill	ACTUARIAL DIVISION Otto J. Burian Vice-President and Actuary Edward L. Faith Associate Actuary Douglas Wood Manager, Life Underwriting	INVESTMENT DIVISION J. G. Driscoll Financial Vice-President William R. Mead, Treasurer and Manager, Securities Dept. Paul K. Justus, Assistant Treasurer and Manager, Farm Loans H. Edwin Trusheim Assistant Treasurer
	AGENCY DIVISION Frank Vesser Vice-President Richard H. Bennett, CLU Field Vice-President Carl H. Lane Superintendent of Agencies Eugene V. Boisaboin Director of Agencies, Eastern Division Charles E. Fritsche Director of Executive and Employee Benefit Plans Anthony Gatzert Agency Secretary	LAW DIVISION Frank P. Aschemeyer Vice-President and General Counsel Paul G. Ochterbeck Associate General Counsel Joseph E. Jacques Tax Officer Elmer A. Jungclaus Manager, Policyholders Service William F. Lohman, Manager, Group Benefits William C. Schuringhaus Supervisor, Claim Instruction
		MEDICAL DEPARTMENT James H. Ready, M.D. Medical Director G. F. Rendleman, M.D. Assistant Medical Director

*Member of Executive Committee

DISTRICT GROUP OFFICES

ATLANTA, GEORGIA.....Robert L. Dale, Manager
523 Fulton Federal Bldg.

BIRMINGHAM, ALABAMA.....David B. Morse, Manager
903 Comer Building

CHICAGO, ILLINOIS.....Maxwell J. Loose, Manager
1561 The Field Building...Thomas H. Stewart, Ass't. Mgr.

CLEVELAND, OHIO.....James F. Temple, Manager
815 Superior Avenue, N. E.

DALLAS, TEXAS.....Wallace L. Wingfield, Manager
923 Davis Building

DENVER, COLORADO....Harvey M. Altman, Group Rep.
655 Broadway Building

DES MOINES, IOWA.....William E. Biggs, Manager
423 Grand Avenue

DETROIT, MICHIGAN.....Robert A. Guy, Manager
17325 Northland Park Court

HOUSTON, TEXAS.....Peter W. Anderson, Manager
3520 Montrose Blvd.

REGIONAL GROUP OFFICES

PITTSBURGH, PA.....Frank E. Thompson, Mgr.
515 Park Building

KANSAS CITY, MISSOURI..Edward C. Eckhoff, Manager
3101 Broadway

LITTLE ROCK, ARKANSAS....C. Lyle Cormack, Manager
210 Wallace Building

LOS ANGELES, CALIF.....Richard C. Mattingley, Mgr.
3350 Wilshire Blvd.....Philip J. Anzalone, Asso. Mgr.

MEMPHIS, TENNESSEE.....Walter R. Miller, Manager
3387 Poplar Avenue

OKLAHOMA CITY, OKLA.....Frank H. Sleeper, Manager
420 Mercantile Bldg.

PITTSBURGH, PENNSYLVANIA....Sam D. Bunnell, Mgr.
515 Park Building

SAN ANTONIO, TEXAS....Ernst H. Venverloh, Manager
109 Lexington Avenue

ST. LOUIS, MISSOURI.....John T. Hermen, Manager
1501 Locust Street.....Daniel F. Moon, Ass't. Mgr.

SAN FRANCISCO, CALIFORNIA...J. Robert Gilbert, Mgr.
433 California Street

MORTGAGE LOAN FIELD OFFICES

AUSTIN, TEX.
C. Harold Wallace.....205 W. 7th

CLEVELAND, OHIO
Patrick J. McCullough.....704 Superior Bldg.

DALLAS, TEX.
John J. Woolems.....6138 Berkshire Lane

DENVER, COLO.
Haskell Potts.....655 Broadway

DETROIT, MICH.
Alfred F. Taylor.....Southfield Station

FORT WORTH, TEX.
Robert H. Taylor, Jr.....Trinity Bldg.

FRESNO, CALIF.
H. M. Norton.....614-16 Fulton-Fresno Bldg.

HOUSTON, TEX.
Jack C. Boucher.....3520 Montrose Blvd.

LOS ANGELES, CALIF.
Jack Benson.....811 W. 7th St.

MEMPHIS, TENN.
H. L. Massey.....715 Union Planters Bank Bldg.

PHOENIX, ARIZ.
F. James Murphy.....4710 N. 16th

SALT LAKE CITY, UTAH
Augustus B. C. Johns, Jr.....State Exchange Bldg.

SAN ANTONIO, TEX.
Harry E. Copeland.....507-08 Milan Bldg.

ST. LOUIS, MO.
F. A. Berger, Jr.....1501 Locust St.

WASHINGTON, D. C.
John E. Bohling.....7720 Wisconsin Ave., Bethesda, Md.

Sales Agencies That Serve Our Policyholders

STATE AND MULTIPLE AGENCY DIRECTORS

LEONARD W. MAENDER
Detroit, Michigan

FRANCIS B. PERDUE
Ft. Worth, Texas

WILLIAM D. STAYTON
Pittsburgh, Pennsylvania

WOODRUFF W. WALKER, CLU
St. Louis, Missouri

JOHN G. HERRMANN
San Francisco, California

C. E. BAIN
Des Moines, Iowa

REX JEFFREY
Los Angeles, California

ALABAMA

Birmingham.....J. Orlando Ogle
Montgomery.....John T. Dale

ARIZONA

Phoenix..Johnson & Johnson Ins. Agency, Inc.
Tucson.....Kenneth J. Patzman, CLU

ARKANSAS

Little Rock.....Harry L. Ehrenberg
Osceola.....Dane Fergus

CALIFORNIA

Fresno.....Michael Sivick
Los Angeles.....Maurice Levine
Los Angeles.....Allen H. Ogilvie, CLU
Oakland.....G. F. Sterns, CLU
San Diego.....Michael Chamberlain
San Francisco.....David J. Babakan
Donald B. Carpenter
Frank E. Kelly
Edward J. Price

COLORADO

Victorville.....William A. Porter
Denver.....Harry J. Pells

DISTRICT OF COLUMBIA

Washington.....Brem & Klein Agency

FLORIDA

Ft. Lauderdale.....Chester L. Hollifield
Miami.....Miami Agencies, William R.
Roemelmeyer

GEORGIA

Atlanta.....Carlton M. Conarro

HAWAII

Honolulu.....Kamaaina Agencies

ILLINOIS

Belleview.....Kenneth J. Green
Bloomington.....Frank Insurance Agency
Chicago.....Otto A. Jeanes
East St. Louis.....John M. Carrico
Rockford.....Walter G. Meyers
Springfield.....Don Forsyth

INDIANA

Indianapolis.....Spafford Orwig

IOWA

Cedar Rapids.....Paul S. Kohl

Davenport.....Louis P. Kruzick
Des Moines.....Richard Strauss
Mason City.....T. H. Leaver
Sioux City.....Eldon W. Eberhard

KANSAS

Topeka.....Charles W. Ransom
Wichita.....A. Wayne Lewis, CLU

MARYLAND

Baltimore.....John E. Lombardo

MICHIGAN

Detroit.....James W. Cannon
George Coury, CLU
Gerald E. Davison
Eugene M. Graye
Edward G. McDonald

MISSOURI

Cape Girardeau.....Robert A. Rosenthal
Columbia.....Howard D. Berkley
De Soto.....Claude J. Cook
Kansas City.....Cochran-Lowry Agencies
Kennett.....Will B. Bragg
Kirksville.....Cloy E. Whitney
Poplar Bluff.....Earl L. Graves
St. Joseph.....Homer O. Green
St. Louis.....Henry Buhr
Louis J. Clark
George H. Fletcher
Chauncey H. Gegg
James F. Halley, Sr.
James J. Roberts
Adam Rosenthal
Fred F. Sale
W. Stanley Stuart
V. Randall Workman
Springfield.....Grant Davis
Springfield.....William A. Seabough

NEBRASKA

Lincoln.....E. M. Heidenreich
Omaha.....Marvin J. Buersmeyer

NEW MEXICO

Clayton.....N. O. Brane
RoswellField Robinson, CLU

OHIO

Akron.....Vernon L. Woodrum
Cleveland.....J. William Van Horn
Columbus.....James E. Gilles

OKLAHOMA

Oklahoma City.....William J. Newblock
Tulsa.....Gordon Tyler

PENNSYLVANIA

Pittsburgh.....Robert R. Dodson

TENNESSEE

Memphis.....Lewis C. Callow, CLU

TEXAS

Abilene.....Behrens & Behrens
Amarillo.....The Cooley Agency
Corpus Christi.....Texas Gulf Coast
Agencies, Gordon G. Mandt
Dallas.....Dennis G. Colwell
El Paso.....Leo R. Schuster, Sr.
Fort Worth.....Raymond B. Atherton
Travis Smith
Houston.....Texas Gulf Coast
Agencies, Gordon G. Mandt
San Antonio.....S. J. Fisher, Jr., CLU
Waco.....J. Haley Beers
Wichita Falls.....Bullington-Mason Company

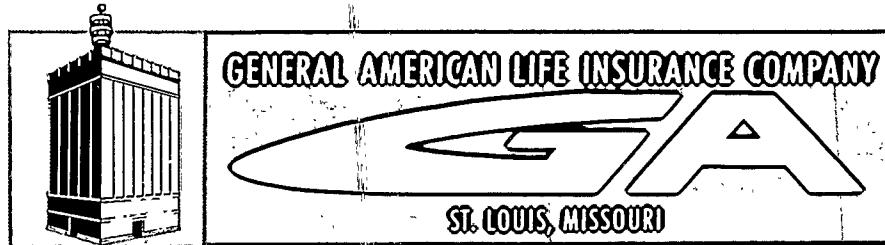
UTAH

Salt Lake City.....Charles L. Soelberg, CLU



A CROSS SECTION OF GENERAL AMERICAN LIFE GROUP POLICYHOLDERS





BONDS OWNED ON DECEMBER 31, 1958



GOVERNMENT - UNITED STATES

	Coupon	Maturity	Principal Amount
United States Treasury Bonds.....	2 1/2	Dec. 15, 1969-64	\$ 29,500
United States Treasury Bonds.....	2 1/2	Mar. 15, 1970-65	1,500,000
United States Treasury Bonds.....	2 1/2	Mar. 15, 1971-66	1,370,000
United States Treasury Bonds.....	3 1/4	June 15, 1983-78	100,000
United States Treasury Bonds, B.....	2 3/4	April 1, 1980-75	15,543,000
			<u>\$18,542,500</u>



MUNICIPALS

	Coupon	Maturity	Principal Amount
Garland, Texas, Elec. Water, & Sewer Rev.....	3	1984-85	450,000
Georgia Rural Roads Authority.....	3.70	1977-79	310,000
South Bend School Bldg. Corp., St. Joseph County, Ind., First Mtge. Rev.....	4	1972-73	250,000
University of Missouri, Dorm. Rev.....	4	1979-80	100,000
Wisconsin State Agencies Bldg. Corp., Educ. Facilities Bldg.....	3.90	1988	250,000
			<u>\$1,360,000</u>



PUBLIC UTILITIES

	Coupon	Maturity	Principal Amount
Alabama Power Company, First Mtge.....	3 1/2	1972	\$ 77,000
Appalachian Elec. Pr. Co., First Mtge.....	3 1/4	1970	200,000
Appalachian Elec. Pr. Co., First Mtge.....	2 1/2	1980	125,000
Arizona Public Service Co., First Mtge.....	3 1/4	1984	300,000
Arkansas Power & Light Co., First Mtge.....	3 1/2	1982	400,000
Arkansas Power & Light Co., First Mtge.....	3 1/4	1984	200,000
Atlantic City Elec. Co., First Mtge.....	2 1/2	1979	250,000
Atlantic City Elec. Co., First Mtge.....	2 1/4	1980	250,000
Boston Edison Co., First Mtge., B.....	2 1/4	1980	600,000
Boston Edison Co., First Mtge., E.....	3	1984	400,000
Central Illinois Public Service Co., First Mtge., D.....	3 1/8	1982	300,000
Central Illinois Public Service Co., First Mtge., F.....	3 1/4	1984	50,000
Central Power & Light Co., First Mtge., D.....	3 1/2	1982	300,000
Central Power & Light Co., First Mtge., F.....	3 1/8	1984	200,000
Central Power & Light Co., First Mtge., G.....	3 1/4	1986	250,000
Cincinnati Gas & Elec. Co., First Mtge.....	2 1/4	1975	150,000
Cincinnati Gas & Elec. Co., First Mtge.....	2 1/8	1978	385,000
Cleveland Elec. Illuminating Co., First Mtge.....	3	1982	400,000
Cleveland Elec. Illuminating Co., First Mtge.....	2 1/4	1985	200,000
Cleveland Elec. Illuminating Co., First Mtge.....	3	1989	300,000
Columbus & Southern Ohio Elec. Co., First Mtge.....	3 1/8	1983	250,000
Columbus & Southern Ohio Elec. Co., First Mtge.....	3 1/4	1986	250,000
Commonwealth Edison Co., First Mtge., L.....	3	1977	300,000
Commonwealth Edison Co., First Mtge., N.....	3	1978	200,000
Commonwealth Edison Co., First Mtge., O.....	3 1/4	1982	250,000
Consolidated Edison Co., of New York, Inc., First & Ref. Mtge., D.....	3	1972	100,000
Consolidated Edison Co., of New York, Inc., First & Ref. Mtge., E.....	3	1979	150,000
Consolidated Edison Co., of New York, Inc., First & Ref. Mtge., A.....	2 1/4	1982	350,000
Consolidated Edison Co., of New York, Inc., First & Ref. Mtge., H.....	3 1/8	1982	100,000
Consolidated Edison Co., of New York, Inc., First & Ref. Mtge., I.....	3 1/2	1983	200,000
Consolidated Gas, Elec. Lt. & Pr. Co., of Baltimore, First Ref. Mtge., U.....	2 1/8	1981	600,000
Consolidated Gas, Elec. Lt. & Pr. Co., of Baltimore, First Ref. Mtge., Z.....	3	1989	400,000
Consolidated Natural Gas Co., Deb.....	3	1978	250,000
Consolidated Natural Gas Co., Deb.....	3 1/4	1979	500,000
Consumers Power Co., First Mtge.....	2 1/8	1975	300,000
Consumers Power Co., First Mtge.....	2 1/8	1977	150,000
Consumers Power Co., First Mtge.....	3	1984	300,000
Dallas Power & Light Co., First Mtge.....	2 1/8	1979	300,000



PUBLIC UTILITIES (CONTINUED)

	Coupon	Maturity	Principal Amount
Dallas Power & Light Co., First Mtge.	2 3/4	1980	\$300,000
Dallas Power & Light Co., First Mtge.	3 1/2	1983	150,000
Dayton Power & Light Co., First Mtge.	2 3/4	1975	300,000
Dayton Power & Light Co., First Mtge.	3	1978	300,000
Delaware Power & Light Co., First Mtge. & Coll. Tr.	2 3/4	1980	400,000
Detroit Edison Co., Gen. & Ref. Mtge., H.	3	1970	50,000
Detroit Edison Co., Gen. & Ref. Mtge., I.	2 3/4	1982	300,000
Detroit Edison Co., Gen. & Ref. Mtge., J.	2 3/4	1985	250,000
Detroit Edison Co., Gen. & Ref. Mtge., N.	2 1/8	1984	150,000
Duquesne Light Co., First Mtge.	2 3/4	1977	400,000
Duquesne Light Co., First Mtge.	2 5/8	1979	100,000
Duquesne Light Co., First Mtge.	2 3/4	1980	100,000
Equitable Gas Co., First Mtge.	4 1/2	1983	750,000
Gulf Power Co., First Mtge.	3 1/4	1984	500,000
Gulf States Utilities Co., First Mtge.	3	1978	398,000
Gulf States Utilities Co., First Mtge.	2 3/4	1979	100,000
Gulf States Utilities Co., First Mtge.	2 3/4	1980	100,000
Houston Lighting & Power Co., First Mtge.	2 1/8	1974	170,000
Houston Lighting & Power Co., First Mtge.	3	1989	630,000
Illinois Power Co., First Mtge.	2 1/8	1976	100,000
Illinois Power Co., First Mtge.	2 1/8	1979	199,000
Illinois Power Co., First Mtge.	2 3/4	1980	300,000
Illinois Power Co., First Mtge.	3 1/2	1982	200,000
Indiana & Michigan Elec. Co., First Mtge.	3	1978	200,000
Indiana & Michigan Elec. Co., First Mtge.	2 3/4	1980	400,000
Indianapolis Power & Light Co., First Mtge.	3	1974	200,000
Indianapolis Power & Light Co., First Mtge.	2 1/8	1979	400,000
Indianapolis Power & Light Co., First Mtge.	3 5/8	1983	150,000
Iowa Power & Light Co., First Mtge.	3 1/4	1973	79,000
Iowa Power & Light Co., First Mtge.	3	1978	210,000
Iowa Power & Light Co., First Mtge.	2 3/4	1979	209,000
Kansas City Power & Light Co., First Mtge.	2 3/4	1976	200,000
Kansas City Power & Light Co., First Mtge.	2 1/8	1978	200,000
Kansas City Power & Light Co., First Mtge.	2 3/4	1980	200,000
Long Island Lighting Co., First Mtge.	3 3/8	1982	400,000
Louisville Gas & Electric Co., First Mtge.	2 3/4	1979	600,000
Louisville Gas & Electric Co., First Mtge.	3 1/8	1984	250,000
Michigan Cons. Gas Co., First Mtge.	3 1/2	1980	500,000
Missouri Power & Light Co., First Mtge.	2 3/4	1976	350,000
Missouri Power & Light Co., First Mtge.	2 3/4	1979	250,000
Missouri Power & Light Co., First Mtge.	3 1/4	1984	300,000
Missouri Public Service Co., First Mtge.	4 3/4	1987	500,000
New Jersey Power & Light Co., First Mtge.	3 1/8	1984	500,000
New York Power & Light Corp., First Mtge.	2 3/4	1975	300,000
New York State Elec. & Gas Corp., First Mtge.	3 1/8	1988	250,000
Niagara Mohawk Power Corp., Gen. Mtge.	2 3/4	1980	300,000
Niagara Mohawk Power Corp., Gen. Mtge.	3 1/6	1984	300,000
Niagara Mohawk Power Corp., Conv. Deb.	4 5/8	1972	225,000
Northern Illinois Gas Co., First Mtge.	3 1/2	1979	315,000
Northern Natural Gas Co., S.F. Deb.	4 1/2	1976	500,000
Northern States Power Co., (Minn.) First Mtge.	2 3/4	1975	275,000
Northern States Power Co., (Minn.) First Mtge.	3	1978	225,000
Northern States Power Co., (Minn.) First Mtge.	2 3/4	1979	100,000
Northern States Power Co., (Minn.) First Mtge.	3 1/4	1982	200,000
Ohio Edison Co., First Mtge.	2 1/8	1980	400,000
Ohio Power Co., First Mtge.	3	1978	600,000
Ohio Power Co., First Mtge.	3 1/8	1984	150,000
Oklahoma Gas & Elec. Co., First Mtge.	2 3/4	1975	200,000
Oklahoma Gas & Elec. Co., First Mtge.	2 7/8	1980	300,000
Oklahoma Gas & Elec. Co., First Mtge.	3 3/8	1982	150,000
Oklahoma Gas & Elec. Co., First Mtge.	3 3/8	1988	350,000
Pacific Gas & Elec. Co., First & Ref. Mtge., J.	3	1970	100,000
Pacific Gas & Elec. Co., First & Ref. Mtge., T.	2 1/8	1976	100,000
Pacific Gas & Elec. Co., First & Ref. Mtge., Q.	2 1/8	1980	200,000
Pacific Gas & Elec. Co., First & Ref. Mtge., R.	3 1/6	1982	100,000
Pacific Gas & Elec. Co., First & Ref. Mtge., S.	3	1983	100,000
Pacific Gas & Elec. Co., First & Ref. Mtge., X.	3 1/6	1984	200,000
Pacific Gas & Elec. Co., First & Ref. Mtge., U.	3 3/8	1985	100,000
Pennsylvania Elec. Co., First Mtge.	3 3/6	1972	62,000
Philadelphia Elec. Co., First & Ref. Mtge.	2 1/8	1978	300,000
Philadelphia Elec. Co., First & Ref. Mtge.	2 3/4	1981	300,000
Portland General Electric Co., First Mtge.	4 1/8	1987	500,000
Portland General Electric Co., First Mtge.	5 1/2	1987	250,000
Potomac Electric Power Co., First Mtge.	3 1/4	1977	120,000
Potomac Electric Power Co., First Mtge.	3	1983	270,000
Potomac Electric Power Co., First Mtge.	2 3/4	1985	210,000
Potomac Electric Power Co., First Mtge.	3 1/8	1988	300,000
Public Service Co., of Colorado, First Mtge.	3 1/6	1984	500,000
Public Service Co., of Indiana, Inc., First Mtge., F.	3 1/8	1975	140,000
Public Service Co., of Indiana, Inc., First Mtge., G.	3 1/6	1977	260,000
Public Service Co., of Indiana, Inc., First Mtge., J.	3 3/8	1982	200,000
Public Service Co., of Indiana, Inc., First Mtge., K.	3 3/8	1984	250,000
Public Service Co., of Oklahoma, Inc., First Mtge., E.	3	1984	750,000
Public Service Co., of Oklahoma, Inc., First Mtge., F.	4 1/4	1987	500,000
Public Service Elec. & Gas Co., First & Ref. Mtge.	3	1972	220,000



PUBLIC UTILITIES (CONTINUED)

	Coupon	Maturity	Principal Amount
Public Service Elec. & Gas Co., First & Ref. Mtge.	2 1/8	1979	\$280,000
Public Service Elec. & Gas Co., First & Ref. Mtge.	2 3/4	1980	100,000
Public Service Elec. & Gas Co., First & Ref. Mtge.	3 1/4	1984	300,000
Public Service Elec. & Gas Co., Deb.	4 1/8	1977	350,000
St. Louis County Water Co., First Mtge. E (Reg.)	3 1/8	1985	500,000
San Diego Gas & Elec. Co., First Mtge., C	3	1978	400,000
San Diego Gas & Elec. Co., First Mtge., E	2 1/8	1984	350,000
Southern California Edison Co., First & Ref. Mtge., A	3 1/8	1973	135,000
Southern California Edison Co., First & Ref. Mtge., B	3	1973	200,000
Southern California Edison Co., First & Ref. Mtge., C	2 1/8	1976	265,000
Southern California Edison Co., First & Ref. Mtge., F	3	1979	300,000
Southern California Gas Co., First Mtge.	3 1/4	1970	38,000
Southern Indiana Gas & Elec. Co., First Mtge.	3 1/8	1984	250,000
Tennessee Gas Transmission Co., First Mtge.	5 1/4	1977	50,000
Tennessee Gas Transmission Co., First Mtge.	5 3/8	1979	300,000
Texas Elec. Service Co., First Mtge.	2 3/4	1975	290,000
Texas Elec. Service Co., First Mtge.	2 1/8	1979	250,000
Texas Elec. Service Co., First Mtge.	3 1/4	1985	260,000
Texas Power & Light Co., First Mtge.	2 1/4	1975	470,000
Texas Power & Light Co., First Mtge.	3	1977	55,000
Texas Power & Light Co., First Mtge.	3	1978	75,000
Union Elec. Co., of Missouri, First Mtge. & Coll. Tr.	3 1/8	1971	350,000
Union Elec. Co., of Missouri, First Mtge. & Coll. Tr.	2 1/8	1980	250,000
Union Elec. Co., of Missouri, First Mtge. & Coll. Tr.	3 1/4	1982	250,000
Union Electric Co., First Mtge.	3 1/4	1986	150,000
Union Electric Co., First Mtge.	4 1/8	1988	245,000
United Gas Corp., First Mtge. & Coll. Tr.	3 1/8	1975	500,000
Utah Power & Light Co., First Mtge.	2 1/8	1980	250,000
Virginia Elec. & Power Co., First & Ref. Mtge., E	2 1/4	1975	300,000
Virginia Elec. & Power Co., First & Ref. Mtge., F	3	1978	200,000
Virginia Elec. & Power Co., First & Ref. Mtge., H	2 1/4	1980	100,000
Virginia Elec. & Power Co., First & Ref. Mtge., K	3 1/8	1984	250,000
Wisconsin Elec. Power Co., First Mtge.	2 5/8	1976	100,000
Wisconsin Elec. Power Co., First Mtge.	2 1/4	1980	500,000
Wisconsin Elec. Power Co., First Mtge.	3 1/8	1984	150,000

\$42,617,000



TELEPHONE

	Coupon	Maturity	Principal Amount
American Tel. & Tel. Co., Deb.	2 1/4	1971	\$200,000
American Tel. & Tel. Co., Deb.	3 3/8	1973	150,000
American Tel. & Tel. Co., Deb.	2 1/4	1982	175,000
American Tel. & Tel. Co., Deb.	3 1/4	1984	405,000
American Tel. & Tel. Co., Deb.	2 1/8	1986	35,000
American Tel. & Tel. Co., Deb.	2 1/8	1987	35,000
American Tel. & Tel. Co., Deb.	3 1/8	1990	250,000
American Tel. & Tel. Co., Deb.	5	1983	250,000
Bell Telephone Co. of Pennsylvania, Deb.	3	1974	600,000
Bell Telephone Co. of Pennsylvania, Deb.	3 1/4	1996	250,000
Illinois Bell Telephone Co., First Mtge., B	3	1978	465,000
Illinois Bell Telephone Co., First Mtge., A	2 1/4	1981	235,000
Michigan Bell Telephone Co., Deb.	3 1/8	1988	550,000
Mountain States Tel. & Tel. Co., Deb.	3 1/8	1978	400,000
Mountain States Tel. & Tel. Co., Deb.	2 5/8	1986	200,000
Mountain States Tel. & Tel. Co., Deb.	3	1989	200,000
Mountain States Tel. & Tel. Co., Deb.	4 1/8	1988	200,000
New England Tel. & Tel. Co., Deb.	3	1982	400,000
New England Tel. & Tel. Co., Deb.	3 1/4	1991	600,000
New Jersey Bell Telephone Co., Deb.	3 1/8	1988	400,000
New Jersey Bell Telephone Co., Deb.	3	1989	305,000
New Jersey Bell Telephone Co., Deb.	2 1/4	1990	45,000
New York Telephone Co., Ref. Mtge., E	3 1/8	1978	100,000
New York Telephone Co., Ref. Mtge., F	3	1981	270,000
New York Telephone Co., Ref. Mtge., D	2 1/4	1982	230,000
New York Telephone Co., Ref. Mtge., I	3 1/8	1996	400,000
Northwestern Bell Tel. Co., Deb.	2 1/4	1984	600,000
Northwestern Bell Tel. Co., Deb.	3 1/4	1996	400,000
Pacific Tel. & Tel. Co., Deb.	3 1/4	1978	100,000
Pacific Tel. & Tel. Co., Deb.	3 1/8	1983	50,000
Pacific Tel. & Tel. Co., Deb.	2 1/4	1985	450,000
Southern Bell Tel. & Tel. Co., Deb.	3	1979	175,000
Southern Bell Tel. & Tel. Co., Deb.	2 1/4	1985	275,000
Southern Bell Tel. & Tel. Co., Deb.	2 1/8	1987	250,000
Southern Bell Tel. & Tel. Co., Deb.	3 1/8	1989	100,000
Southwestern Bell Tel. Co., Deb.	3 1/8	1983	250,000
Southwestern Bell Tel. Co., Deb.	2 1/4	1985	450,000
Southwestern Bell Tel. Co., Deb.	4 1/4	1992	500,000

\$10,950,000



RAILROADS

	Coupon	Maturity	Principal Amount
Atchison, Topeka & Santa Fe Ry. Co., Gen. Mtge.	4	1995	\$500,000
Atlantic Coast Line R.R. Co., Eq. Tr., K.	4 1/4	1971-72	250,000
Chicago, Burlington & Quincy R.R. Co., First & Ref. Mtge.	3 1/8	1985	100,000
Chicago, Burlington & Quincy R.R. Co., First & Ref. Mtge.	3	1990	199,000
Chicago, Milwaukee, St. Paul & Pacific R.R. Co., Eq. Tr. "MM"	2 1/2	1964-65	200,000
Chicago, Rock Island & Pacific R.R. Co., First Mtge., A.	2 1/8	1980	500,000
Chicago Union Station Co., First Mtge., F.	3 1/8	1963	50,000
Chicago & Western Indiana R. R. Co., First Coll. Tr. Mtge., A.	4 1/8	1982	235,000
Cincinnati Union Terminal Co., First Mtge., G.	2 3/4	1974	79,000
Cleveland, Cincinnati, Chicago & St. Louis Ry. Co., Gen. Mtge., A.	4	1993	200,000
Kansas City Southern Ry. Co., First Mtge., C.	3 1/4	1984	500,000
Kansas City Terminal Ry. Co., First Mtge.	2 3/4	1974	200,000
Minneapolis, St. Paul & Sault Ste. Marie Ry. Co., First Ref. Mtge., B (Reg.)	5 1/2	1978	71,904
Missouri Pacific R. R. Co., Eq. Tr. "LL"	2 1/2	1963	100,000
Missouri Pacific R. R. Co., Eq. Tr. "OO"	2 1/8	1963	85,000
Missouri Pacific R. R. Co., Eq. Tr. "G"	4 1/2	1968-72	165,000
New York Central & Hudson River R. R. First Mtge.	3 1/2	1997	10,000
New York Central & Hudson River R. R. First Mtge. (Reg.)	3 1/2	1997	140,000
Northern Pacific Ry. Co., Prior Lien Mtge.	4	1997	200,000
Pennsylvania R. R. Co., Eq. Tr., Z.	2 1/2	1963	200,000
St. Louis-San Francisco R. R. Co., Con. Sales Agr.	3 1/2	Serially Through 1970	408,000
St. Louis Southwestern Ry. Co., First Mtge.	4	1989	800,000
Seaboard Air Line R. R. Co., First Mtge., B.	3	1980	500,000
Southern Pacific Co., San Francisco Terminal, First Mtge., A.	3 3/8	1975	196,000
Terminal R. R. Association of St. Louis Ref. & Imp. Mtge., D.	2 7/8	1985	600,000
Terminal R. R. Association of St. Louis, Ref. & Imp. Mtge., C.	4	2019	75,000
Texas & Pacific Ry. Co., First Mtge.	5	2000	180,000
Union Pacific R. R. Co., Ref. Mtge., C.	2 1/2	1991	600,000
Wabash Railroad Co., Con. Sales Agr.	3 1/2	Serially Through 1962	266,560

\$7,610,464

INDUSTRIAL & MISCELLANEOUS

	Coupon	Maturity	Principal Amount
Allied Chemical & Dye Corp., Deb.	3 1/2	1978	\$900,000
Aluminum Co. of America, Deb.	3	1979	750,000
Aluminum Co. of America, Deb.	4 1/4	1982	250,000
Aluminum Co. of America, S. F. Deb.	3 7/8	1983	225,000
American Can Co., Deb.	3 3/4	1988	750,000
American Investment Co. of Illinois, Notes	3 1/2	1966	220,000
American Investment Co. of Illinois, Notes	3 1/2	1974	200,000
American Investment Co. of Illinois, Convertible Capital Notes	4 1/2	1981	200,000
Anheuser-Busch, Inc., Deb.	3 3/8	1977	699,000
Associates Investment Co., Notes	3 1/2	1961	250,000
Associates Investment Co., Notes	3 1/2	1967	500,000
Atlantic Refining Co., Deb.	3 1/4	1979	285,000
Bishop of the Catholic Diocese of Jefferson City, Mo., First Mtge.	5	1974	300,000
Brown Shoe Co., Inc., Deb.	3 1/2	1971	131,000
Caterpillar Tractor Co., Deb.	4 1/2	1977	500,000
C. I. T. Financial Corp., Deb.	3 3/8	1970	250,000
Commercial Credit Co., Notes	3 1/2	1965	750,000
Commercial Credit Co., Deb.	4 1/8	1978	250,000
Continental Baking Co., Deb.	3	1965	297,000
Continental Oil Co., Deb.	3	1984	495,000
Flintkote Company, Deb.	4 3/8	1977	500,000
General American Transportation Corp., Equip. Trust Certfs.	4 1/8	1978	500,000
General Electric Co., Deb.	3 1/2	1976	500,000
General Motors Acceptance Corp., Deb.	3	1969	600,000
General Motors Acceptance Corp., Deb.	3 5/8	1975	150,000
General Motors Corporation, Deb.	3 1/4	1979	750,000
General Motors Acceptance Corp., Deb.	4	1979	250,000
Inland Steel Co., First Mtge., I.	3.20	1982	180,000
Kimberly-Clark Corp., S. F. Deb.	3 3/4	1983	500,000
Martin Co. (The), S. F. Deb.	5 1/2	1968	165,000
May Department Stores Co., Deb.	3 1/4	1978	500,000
National Distillers & Chemical Corp., S. F. Deb.	4 3/4	1983	500,000
National Steel Corp., First Mtge.	3 7/8	1986	500,000
Pacific Finance Corp., Deb.	3 1/2	1965	500,000
Phillips Petroleum Co., Deb.	2 3/4	1964	250,000
Phillips Petroleum Co., Conv. Sub. Deb.	4 1/4	1987	300,000
R. J. Reynolds Tobacco Co., Deb.	3	1973	196,000
Safeway Stores, Inc., Deb., B.	4 1/4	1969	220,000
Sears, Roebuck & Co., S. F. Deb.	4 3/4	1983	250,000
Sinclair Oil Company, Conv. Deb.	4 3/8	1986	250,000
Socony Vacuum Oil Co., Deb.	2 1/2	1976	300,000
Sperry Rand Corp., Deb.	5 1/2	1982	500,000
Standard Oil Co., (New Jersey) Deb.	2 3/4	1974	600,000
Standard Oil Co., (Ohio) Deb.	4 1/4	1982	500,000
Sterling Drug, Inc., Deb.	3 1/4	1980	500,000
Sylvania Electric Products, Inc., S. F. Deb.	4 3/4	1980	500,000
West Virginia Pulp & Paper Co., Deb.	4	1978	500,000

\$19,163,000

Total Principal Amount

\$100,242,964